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STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: STRENGTHENING OF THE COORDINATION OF EMERGENCY HUMANITARIAN ASSISTANCE OF THE UNITED NATIONS

JOINT INSPECTION UNIT

Execution of humanitarian assistance programmes through implementing partners

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Execution of humanitarian assistance programmes through implementing partners" (JIU/REP/97/3).

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Execution of humanitarian assistance programmes through implementing partners

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Geneva
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CONTENTS

		Paragraphs	Page
EXECUTIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS			6
I.	INTRODUCTION	1 - 7	10
II.	DEFINITION OF IMPLEMENTING PARTNERS	8 - 18	11
	A. Governmental agencies	12 - 13	12
	B. Organizations of the United Nations system	14	14
	C. Intergovernmental organizations	15	15
	D. Non-governmental organizations	16 - 18	15
III.	PRINCIPLES GOVERNING THE WORKING RELATIONSHIPS BETWEEN THE ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AND THEIR IMPLEMENTING PARTNERS	19 - 39	19
	A. Selection procedures	20 - 25	19
	B. Legal procedures	26 - 31	23
	C. Financial and administrative procedures	32 - 39	27
IV.	CONTROLLING MECHANISMS FOR PROGRAMME/PROJECT IMPLEMENTATION	40 - 55	31
	A. Monitoring	42 - 47	31
	B. Evaluation	48 - 55	34

ACRONYMS

AFSED	Arab Fund for Social and Economic Development
ASEAN	Association of South-East Asian Nations
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
IASC	Inter-Agency Standing Committee
IOM	International Organization for Migration
JIU	Joint Inspection Unit
LOU	Letter of Understanding
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organization
OAU	Organization of African Unity
OAS	Organization of American States
OSCE	Organization for Security and Cooperation in Europe
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WFP	World Food Programme
WHO	World Health Organization

EXECUTIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Member States are increasingly concerned as to how efficiently and effectively the resources put at the disposal of the United Nations organizations of the system are used. In particular, special attention is devoted to the voluntary funds earmarked for activities connected with humanitarian assistance. They are interested in knowing clearly and regularly the status of these funds. The organizations must be fully accountable to Member States about each activity, both from the point of programme delivery and proper management of financial and human resources, and inform them accordingly.

As explained in the present report, a lack of proper reporting to Member States on the use of funds devoted to humanitarian assistance activities has been voiced by different controlling bodies of the system. The organizations of the United Nations system use partners outside the system, as well as within it, based on an implementing agreement for carrying out their responsibilities. The question of accountability of implementing partners, both for project delivery and proper use of resources, is made more complex by the massive presence of non-governmental organizations in the field of humanitarian assistance as implementing partners which share a substantial part of the operations. This in fact, is the novelty of the situation: non-governmental organizations have introduced a new dimension in the humanitarian assistance activities of the United Nations and have occupied a space of considerable size. This recent development requires that a new look be given to the management of financial resources of implementing partners which have become indispensable in emergency operations.

The Joint Inspection Unit is fully aware of the requirements and responsibilities of auditing and controlling bodies of the system for ensuring that the resources available are properly used and accounted for by the humanitarian agencies. The Unit is also aware that the problems related to audits of implementing partners, though more evident in certain instances because of the amplitude of the operations, are of a general nature. The implementation of humanitarian assistance programmes and projects is in most cases carried out without due regards to controlling mechanisms in order to meet their obligations effectively and on time. The international community has also witnessed situations that require immediate action to be taken, according to the mandate of each agency. In complex emergencies, organizations cannot avoid giving priority to project delivery and results. Accountability and related requirements may follow. When assessing humanitarian assistance operations, therefore, in particular complex emergency situations, all of the above-mentioned elements need to be taken into consideration.

There are two types of emergency operations connected to short-term and long-term humanitarian assistance programmes. The existing ad hoc procedures and guidelines applied to a short-term emergency according to the specificity of the operations should continue to be flexible.[1] Since long-term humanitarian assistance programmes/projects have different connotations, however, the question is whether it is possible to apply the existing standards, rules and procedures of accounting to long-term emergency situations.

The primary concern expressed by the controlling bodies on specific cases, such as the working relationship of UNHCR with implementing partners is therefore raising an issue of general concern. Dealing with such issues will be instrumental in the attempt carried out by the Inspector to recommend improved financial and management controlling procedures.

In the present report, JIU will attempt to look into the principles governing the financial control between the organizations of the United Nations system and their implementing partners. These include the selection methods and criteria of implementing partners; legal, administrative and financial procedures; controlling mechanisms; and reporting procedures.

After thorough analysis of the situation and discussion with the humanitarian assistance organizations, the Inspector submits the following suggestions and recommendations as a contribution to the effort being made by the various controlling bodies of the system to improve the overall management of financial resources utilized by implementing partners, and to clarify the various levels of accountability of the parties involved in humanitarian assistance operations:

Recommendation 1. In response to the plurality and complexity of humanitarian programmes, implementing partners have become more diversified and multifunctional. This evolution, also for reasons of clarity, calls for an attempt to classify the various types of implementing partners according to their activity and performance.

Cooperation between the organizations of the United Nations system involved in humanitarian assistance and their implementing partners is based on the agreements and subagreements entered into with each partner. The identification of the implementers and their inclusion in a specific category will help in view of adjusting the implementing agreements within the corresponding mandates and responsibilities in order to ensure an adequate managerial and financial control of the programmes. This exercise could be enhanced by the publication of a handbook listing the implementing partners by category, to be circulated for consultation and assistance in the selection of the appropriate implementing partner. (See para. 18 below.)

Recommendation 2. The working relationship between organizations of the United Nations system and their implementing partners is based mainly on partnership and less often on contractual terms. Owing to the increasing need for humanitarian assistance and the subsequent increase in the number of implementing partners, the selection of an appropriate partner has become one of the most important aspects of the programme/project management process. This requires a well-thought out mechanism which guarantees project delivery as agreed in the project document and which ensures the accountability of implementing partners. For this to be achieved, organizations should be more selective in identifying implementing partners by improving the existing legal, administrative and financial procedures for their selection. The establishment of a selected roster of reliable implementing partners in order to set up a more manageable core of implementers could be a helpful contribution to this process. (See recommendation 5 and para. 25 below.)

The exchange of information on the performance of implementing partners could take place among United Nations agencies,[2] as well as in consultation with the coalition of non-governmental organizations. This should not, however, prevent resorting to implementing partners when required by especially complex situations, or when their contributions to capacity-building are relevant.

Recommendation 3. The responsibility for the implementation of a programme/project is shared between the host Government and the concerned organization of the United Nations system and its implementing partner. The implementing partners are responsible for the activities specified in the project document, while the organization remains responsible for the overall results of the assistance programme/project. In order to make implementing partners more responsible for programme/project delivery, the following two provisions are recommended (see paras. 26 and 28 below):

(a) The existing agreements with implementing partners should always include a provision of fund accountability and an adequate audit, monitoring and evaluation coverage of their activities;

(b) It is essential for all United Nations agencies to include in the agreements a clause defining the responsibilities of implementing partners and the consequences in case of default. Such a clause should be designed under the guidance of the Inter-Agency Standing Committee, and agreed to by humanitarian organizations. (See paras. 30 and 31 below).

Recommendation 4. The current financial and administrative procedures and guidelines for collaboration with implementing partners have been conceived in pragmatic ways and are designed on the assumption that humanitarian assistance is a short-term task and, accordingly, short-term plans are put in place. This assumption does not take into account that humanitarian assistance requires long-term involvement. Based on these findings, the Inspector recommends two types of administrative and financial procedures:

(a) Special administrative and financial procedures for short-term emergency responses, such as floods, earthquakes and limited refugee flows;

(b) A more standardized and general administrative and accounting procedure for long-term humanitarian assistance in situations such as internal and external conflicts which go beyond a specific period of time. The time limit for this category of assistance should be decided by the Inter-Agency Standing Committee, in consultation with all humanitarian agencies. (See para. 36 below.)

Recommendation 5. Periodic requests of the donor community for greater transparency and cost-effectiveness for the funds they provide have exposed weaknesses in management and accountability. The causes are to be found in poor planning and inadequate monitoring and evaluation of programmes and projects. The following remedies are proposed:

(a) During the primary stage of the planning of a programme/project, an effective system for the management of financial and human resources, with a

clear definition of respective responsibilities, should be agreed upon by all parties (see para. 41 below);

(b) All humanitarian agencies should give top priority to strengthening their monitoring and controlling mechanisms. The existing mechanism should be revised and updated in order to respond to the requirement for improving the efficiency of the management of programmes and projects while at the same time reinforcing programme delivery (see para. 47 below);

(c) If they have not already done so, all humanitarian agencies should establish an evaluation strategy in order to:

(i) Follow the progress and achievement of implementing partners;

(ii) Assess the cost-effectiveness, as well as the financial management capacity, of implementing partners;

(iii) Based on their records, use the lessons learned for the selection of implementing partners for future assignments. (See para. 53 below.)

Recommendation 6. In recent years, humanitarian assistance has become more complex, being compounded by peacekeeping operations and the defence of human rights. As the issues evolve and increase, so do the number of implementing partners which require clear guidance and leadership from the organizations of the United Nations system. An organizational handbook which provides such guidance is therefore necessary and will enable efficient coordination and the establishment of a sound working relationship between the organizations and their implementing partners. Organizations which have not already produced a partnership handbook should do so in consultation with their major implementing partners. (See para. 55 below.)

I. INTRODUCTION

1. Weaknesses in the financial and managerial control of implementing partners of the United Nations system in the area of humanitarian assistance activities has been identified by the internal and external controlling bodies. Though their attention has been focused, as specified below, on some humanitarian actors more than others because of the magnitude of their involvement, United Nations organizations and programmes have in different measures problems of accountability and financial control. In 1994, the Board of Auditors, in its report on the accounts of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 1993,[3] identified several deficiencies in project implementation by implementing partners. These areas included: lack of a work plan prior to the commencement of projects and programmes; inadequate project planning; delays in signing of agreements; lack of uniform policy for the selection of implementing partners; inaccurate budgetary estimates and budgetary control; unfurnished audited accounts and audit certificates; late submission of timely reports; and inadequate established standards to regularize the overhead expenditure of implementing partners. The Board accordingly made several recommendations to improve the situation.

2. The Office of the United Nations High Commissioner for Refugees (UNHCR) under the guidance of its Executive Committee, made efforts to solve some of the identified problems. Although it has succeeded in improving some of the deficiencies, however, the situation is still considered unsatisfactory. As a result, the Board of Auditors, in its subsequent report to the General Assembly in 1995, repeated several of its recommendations in the area of management control exercised by UNHCR on its implementing partners with reference to programme management, financial management and inventory control, as well as the efficiency of the procurement system, both for headquarters and the field.[4]

3. Along the same lines, the Advisory Committee on Administrative and Budgetary Questions, in its report to the General Assembly at its fiftieth session, also expressed concern that several of the findings of the Board, especially with regard to programme management as it relates to UNHCR and its implementing partners, were not new and that the Board had to reiterate these findings as a result of a non-compliance with the Board's previous recommendations and lack of follow-up action by UNHCR in its field offices.[5]

4. The General Assembly, by resolution 50/204 B of 23 December 1995, also expressed serious concern about the lack of adequate managerial control over the programmes carried out by implementing partners. Consequently, it requested the High Commissioner to implement as a matter of urgency the recommendations of the Board of Auditors, taking into account the views expressed by the Member States and keeping the Board fully informed of the ongoing measures taken, and requested the Board to report thereon to it at its fifty-first session.

5. In April 1996, the Standing Committee of the Executive Committee of the Programme of the Office of the United Nations High Commissioner for Refugees, in response to the observations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions on aspects of programme and financial

management, in particular those relating to the monitoring and control of implementing partners, urged UNHCR to take all necessary steps to ensure adequate managerial and financial control of its programmes, including those implemented by its partners.[6]

6. In compliance with the request and recommendations of the General Assembly, the Board of Auditors, the Advisory Committee on Administrative and Budgetary Questions and other controlling bodies of the United Nations, UNHCR took several actions to improve the situation and adopted a timetable for the implementation of most of the Board's recommendations, including those dealing with implementing partners. According to the timetable, several of the recommendations will be implemented by 1997.[7] With this background, the Office of the Internal Oversight Services, supported by UNHCR, requested JIU to look at the policies and procedures governing the relationships between humanitarian assistance organizations of the United Nations system and their implementing partners. The objective, among others, is to provide suggestions on how to adjust the existing policies and procedures to make them more responsive to the current needs of agencies in providing better guidance and controlling their activities carried out by their implementing partners, hence making the overall humanitarian assistance programmes more effective and transparent.

7. The Inspector has made several proposals to help meet these requirements. He would like to thank those who have contributed to the preparation of the present report and regrets that all the views expressed in detail could not be incorporated in this document owing to the limited space.

II. DEFINITION OF IMPLEMENTING PARTNERS

8. The definition of implementing partners within the context of this report presupposes that of humanitarian assistance. According to the classification of the Administrative Committee on Coordination which is followed by JIU with a slight modification, humanitarian assistance is provided to victims of natural and man-made disasters, including complex emergencies, on a short-term and long-term basis.

9. A definition of an implementing partner that could fit most humanitarian assistance organizations could be summed up as follows: an organization or agency, whether governmental, non-governmental, intergovernmental, specialized agency or multilateral, to which a United Nations organization delegates responsibility for the implementation of programmes/projects and provide funds for this purpose based on agreements concluded by the interested parties.

10. The organizations, programmes and departments of the United Nations system analysed in the present report, whose activities are engaged predominantly in humanitarian assistance, are: Department of Humanitarian Affairs of the United Nations Secretariat, UNHCR, UNICEF, FAO, WFP and WHO. Because of their mandates, UNHCR, UNICEF and WFP are fully involved in humanitarian assistance actions. The involvement of FAO and WHO is at the secondary level of the operations. Recently, UNFPA, because of its mandate to address population issues and reproductive health including family planning, has included in its activities interventions in relief operations. It channels its assistance

through United Nations organizations and agencies, government agencies and non-governmental organizations. The role of the Department of Humanitarian Affairs, whose head is the United Nations Emergency Relief Coordinator, is coordinating humanitarian assistance activities through the Inter-Agency Standing Committee. This coordination refers to natural disaster emergencies according to the exclusive mandate of the Department and also, when the occurrence justifies, to complex emergencies. Although disaster reduction is not the subject of the present report, it is worth mentioning the responsibilities of the Department in that specific activity. This responsibility is carried out primarily in collaboration with Governments and their respective institutions, and with UNDP from the agencies' side. UNDP activities are predominantly engaged in development assistance. Some aspects of its activities however, contain elements of humanitarian assistance. The United Nations Resident Coordinator, who in most countries is the UNDP Resident Representative, is responsible for ensuring overall coordination of all activities of the system, including humanitarian assistance when designated as humanitarian coordinator, at the country level. A role in the selection process of the humanitarian coordinator is played by the Inter-Agency Standing Committee. There is an agreement in principle that the humanitarian coordinator and the United Nations Resident Coordinator's function should be combined in the same person whenever possible.[8]

11. As the need for humanitarian assistance compounded by complex emergencies keeps increasing, the demand for using more implementing partners has also become evident. Depending on the type of humanitarian assistance required, the organizations of the United Nations system have to use mainly four types of implementing partners: specialized governmental agencies or departments, other organizations of the United Nations system, intergovernmental organizations and non-governmental organizations. The private sector in some instances is also used on a contractual basis (see table 9 below) but not on a partnership basis.

A. Governmental agencies

12. Governmental agencies include ministries, departments, units or other national entities designated to assume the task of humanitarian assistance, on behalf of the Government, for the discharge of its responsibilities in the preparation and implementation of relief projects to aid victims of disaster, including refugees and displaced persons. The definitions given by the organizations are summarized in table 1.

Table 1. Definition of a governmental agency by organization

Organization	Definition
Department of Humanitarian Affairs	Not provided
UNDP	When UNDP and the Government, represented by the national coordination authority, decide to undertake a nationally executed programme or project, they will assign responsibility for the overall management of the programme/project to an executing agent. This management responsibility entails planning of project activities, supervision of performance, assignment of progress and technical quality, attainment of objectives and impact, management accountability for the use of funds, and so forth
UNFPA	Similar to that of UNDP. However, in some cases where the Government is not currently operational, deals mostly with the implementing partner in consultation with the local authorities/communities
UNHCR	Works with a large variety of governmental agencies, including ministries, departments responsible for refugee affairs, central cabinet ministries and others
UNICEF	Institutes and organizations under the direct control of a Government and its decision-making. Those which are funded by the Government but governed by autonomous rules and regulations are not considered governmental agencies
FAO	Definition differs from country to country. A general definition is a specialized national authority which is technically and operationally responsible for the management of a certain economic sector under the legislative and executive supervision of a recognized Government
WFP	A department, bureau or ministry designated as a WFP executing agency of those entities eligible for WFP assistance
WHO	An agency funded by a Government (not a non-governmental organization)

13. The types of governmental agency used as implementing partners include: relief and rehabilitation centres, Ministry/Department of Health, Ministry/Department of Social Affairs, Ministry/Department of the Interior, Ministry of Agriculture, and other ministries, departments and national entities involved in the provision of humanitarian assistance, as well as those created to deal with refugee problems. All organizations involved in humanitarian assistance use

governmental agencies as implementing partners. Some of these governmental agencies provide humanitarian assistance through non-governmental organizations, including national non-governmental organizations. Table 2 shows the type of governmental agency used by the various organizations.

Table 2. Type of governmental agency used as implementing partners

	Type of governmental agency				
Organization	Relief and rehabilitation centre	Ministry/ Department of Health	Ministry/ Department of Social Affairs	Ministry/ Department of Interior	Other
Department of Humanitarian Affairs	X	X	X	X	X
UNDP	X	X	X	X	Ministry/Departments and national entities involved in the provision of humanitarian assistance
UNFPA	-	X	X	X	-
UNHCR	X	X	X	X	Ministry created to deal with refugee problems
UNICEF	X	X	X	X	Interministerial committees and offices formed in response to particular crises
FAO	X* (1 cntry)	Ministry/Department of Agriculture, Animal Husbandry and Natural Resources			
WFP	X	X	X	X	Ministry of Agriculture
WHO	X	X	-	-	-

* One country.

B. Organizations of the United Nations system

14. In almost all of the humanitarian assistance interventions, the organizations of the United Nations system jointly contribute to the implementation of projects, according to their mandates and expertise. The agencies sign a memorandum of understanding covering the cooperation between two or more organizations. The memorandum of understanding will cover the purpose of the agreement and the objectives to be achieved, specific areas of collaboration and coordination, and responsibilities of the two organizations, as well as general conditions. Such memorandums have been signed between UNHCR and WFP, UNICEF and UNHCR, UNFPA and UNHCR, and UNDP and UNHCR. Memorandums of understanding have also been signed with IOM.

C. Intergovernmental organizations

15. Intergovernmental organizations are constituted by a plurality of Governments which are given a mandate in specific areas, within the scope of humanitarian assistance, by their legislative bodies. The United Nations cooperate with such organizations in the area of humanitarian assistance. Examples of such organizations are the Organization of African Unity, the Organization of American States, the European Union, the League of Arab States, the Arab Fund for Economic and Social Development, the Association of South-East Asian Nations, the Caribbean Community, the Commonwealth of Independent States, the Commonwealth Secretariat, the Economic Community of West African States, the North Atlantic Treaty Organization and the Organization for Security and Cooperation in Europe.

D. Non-governmental organizations

16. A definition of non-governmental organizations is provided in the report of JIU entitled "Review of financial resources allocated by the United Nations system to activities by non-governmental organizations" (A/51/655-E/1996/105, annex):

> "... NGOs are non-profit entities and partners of the system whose members are citizens or associations of citizens of one or more countries, and whose activities are determined by the collective will in response to the needs of the members of one or more communities with which the NGO cooperates. They can be international, regional, subregional and national/grassroots. Their work covers a wide range including development, humanitarian relief, environment, education, technical assistance, counselling and capacity-building. An NGO should have a written statute and by-laws, a governing board, and a chief executive and staff."

As explained in the above-mentioned report, non-governmental organizations provide a substantial amount of humanitarian assistance themselves and have become major partners of the United Nations system in implementing its projects and programmes.

17. During the period 1994-1995, United Nations organizations involved in humanitarian assistance have cooperated with 2,103 implementing partners which undertook 2,098 projects and subprojects. Of these 2,103 implementing partners, 189 are governmental agencies, 14 are United Nations agencies, 1,897 are non-governmental organizations (283 international non-governmental organizations and 1,614 national non-governmental organizations) and 3 others are unspecified. The national non-governmental organizations are used as implementing partners mainly by WFP, UNHCR and FAO. Of the 2,098 projects, 285 were implemented by governmental agencies, 73 by United Nations agencies, 615 by international non-governmental organizations, 1,068 by national non-governmental organizations and 57 by others. Total disbursement of these projects amounted to US$ 1.2 billion (see table 3 and the figure below for details). During the same period, the United Nations system spent about US$ 10 billion on relief, development and peacekeeping operations, of which 73 per cent went on relief and development and 27 per cent on peacekeeping operations.

Table 3. Number of implementing partners, number of projects implemented by implementing partners, and cost of projects managed by implementing partners during the period 1994-1995

Organization	Type and number of implementing partners		Number of projects managed by implementing partners	Cost of projects managed by implementing partners (United States dollars)
Department of Humanitarian Affairs	-		-	14 945 391
				Percentage
UNFPA	Governmental agency,	5	5	(18%)
	United Nations agency,	4	4	(51%)
	International non-governmental organization,	4	5	(18%)
	National non-governmental organization,	3	3	(13%)
	Other,	1	10	(41%)
				Total cost
				3 533 905
UNHCR	Governmental agency,	154	266	321 657 549
	United Nations agency,	10	69	26 467 420
	International non-governmental organization,	128	464	468 314 918
	National non-governmental organization,	336	609	280 381 238
	Other,	1	39	39 904 494
UNDP	Not available		Not available	Not available
UNICEF	Not provided		Not provided	Not provided
FAO	Governmental agency,	3	13	9 345 594[a]
	United Nations agency,	None	-	-
	International non-governmental organization,	34	143	681 000[b]

Organization	Type and number of implementing partners		Number of projects managed by implementing partners	Cost of projects managed by implementing partners (United States dollars)
	National non-governmental organization,	175	456	792 000[c]
	Other,	1	8	Not available
WFP	Governmental agency,	-	Not available	Not provided
	United Nations agency,	-		
	International non-governmental organization,	115[d]		
	National non-governmental organization,	1 100[d]		
WHO	Governmental agency,	27	1	
	United Nations agency,	None	-	-
	International non-governmental organization,	2	3	559 700
	National non-governmental organization,	-		-
	Other (collaborating centres)			300 000

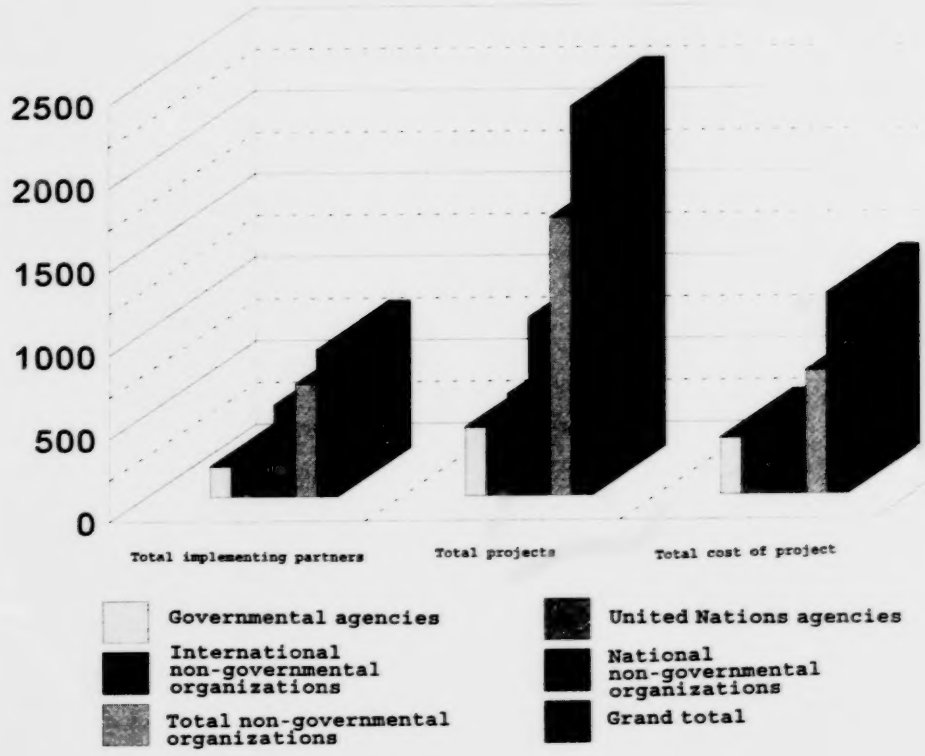
[a] Refers to two countries, Rwanda and Sierra Leone.

[b] Cost to 16 international non-governmental organizations which managed 139 projects in Afghanistan. In Burundi, 8 international non-governmental organizations managed 3 projects; no indication of cost. In Liberia, 7 international non-governmental organizations; no indication of managed projects and cost. In Sierra Leone, 3 international non-governmental organizations managed 1 project; no indication of cost.

[c] Refers to 159 local non-governmental organizations which managed 456 projects in Afghanistan.

[d] Not always with written agreements.

Comparison of implementing partners, 1994-1995



18. It transpires from the above analysis that, in parallel with the plurality and the complexity of humanitarian programmes and operations, implementing partners have become more diversified and multifunctional. They include Government, specialized governmental agencies, international and national non-governmental organizations, intergovernmental organizations, United Nations organizations and agencies, regional organizations and the private sector. It appears advisable, therefore, to categorize the different types of implementing partners and classify them according to their activity and performance. Four main categories have been identified for that purpose. The result of this exercise could be enhanced by the publication of a handbook listing the implementing partners by category, to be circulated for consultation by the interested parties and assistance in the selection of the appropriate implementing partners. The regrouping of implementing partners may help in adjusting the implementing agreements in accordance with their mandates and responsibilities.

III. PRINCIPLES GOVERNING THE WORKING RELATIONSHIP BETWEEN THE ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AND THEIR IMPLEMENTING PARTNERS

19. The relationship between humanitarian assistance organizations of the United Nations system and their implementing partners is based mainly on partnership. The complexity of certain operations requires, however, that in some cases the relationship be based on contractual arrangements. This relationship is governed by three procedures: selection, legal and administrative and financial.

A. Selection procedures

20. Each organization has its own process for selecting implementing partners which are based on several factors and depending on the scale and type of assistance required. These different processes have some common elements which consist of the Government's preference and its adherence to the organizations' adopted practices for designating an implementing partner.

21. The primary step in the selection process is that a government requests assistance, or a non-governmental organization approaches a United Nations organization with a proposal. Once the need has been ascertained and the request is accepted, the Government may propose executing and implementing arrangements at the stage of project design. The United Nations organization will then identify implementing partners and select the best according to the established criteria. Although governmental agencies are given first consideration by some organizations, the traditional partners could be governmental agencies or departments, United Nations agencies and non-governmental organizations. In some cases, more than one partner could be selected and each will implement a component of the project. The final authorization for selecting an implementing partner, including a governmental agency, rests with the headquarters of the organizations, with input from the field offices. Table 4 indicates the different processes used by organizations to select an implementing partner.

Table 4. Procedures used by organizations to select implementing partners

Organization	Selection procedure
Department of Humanitarian Affairs	On a case-by-case basis, depending on local conditions, nature or disaster, cost-effectiveness and wishes of donor
UNDP	Ultimate responsibility for the choice of an executing agency rests with the Administrator. The Resident Representative's recommendation is one of three elements considered in making a selection, the other being governmental preference and the adopted UNDP practices for agency designation
UNFPA	First, there is a need to assess the function of fundings. After discussion with usual partners, mostly UNHCR/United Nations resident coordinators, there are discussions on the choice. Then the project is written in full cooperation with the implementing partner chosen and the authorities
UNHCR	The selection of an implementing partner is a combination of availability, appropriate expertise, knowledge of the area and ability to contribute to the project, and financial competence
UNICEF	Joint consultations and the agreement with the Government, which will result in the selection of a particular ministry or governmental agency. For non-governmental organizations, this will be done on a case-by-case basis on the ground or through institutional arrangements
FAO	Differs from country to country. Examples given are: Afghanistan. Reputation from work with other United Nations agencies. Careful preparation of project proposals. Geographical penetration/ placement. Membership of non-governmental organization coordination body. Angola. Governmental implementing partner is Ministry of Agriculture. Non-governmental organizations are selected on basis of programmes, implementing capacity, area of action and links with provincial Ministry of Agriculture. Burundi. Implementing partners are chosen from among non-governmental organizations involved in the coordination group for the agricultural sector. Iraq. Technical relevance. Administrative and authority status. Former Yugoslavia. Expertise in agriculture and/or agronomy. Through the recruitment of FAO, local/national agronomists preparing the distribution plan for the planting. Liberia. Need for implementing partner is announced, international partner submits a proposal which is evaluated and compared with other proposals. Rwanda. Discussion with the Ministry concerned. Sierra Leone. (a) information gathering through United Nations agency and national institutes about reliability and technical capacity of possible implementing partners; (b) direct contact and discussion to ascertain reliability and technical capacity; and (c) review of past performance. Somalia. (a) Survey of the project area for agencies which meet the criteria for selection; (b) check the willingness of the most relevant agency to cooperate in the field of the assistance; (c) conclude an agreement or memorandum of understanding for the signature of the implementing partner

Organization	Selection procedure
WFP	Government requests assistance or a non-governmental organization approaches WFP with a proposal, and is designated implementing partner; or, once a need for assistance is identified, WFP staff identify organizations active in the food aid sector and select the best based on established criteria. A non-governmental organization implementing partner is designated in consultation with the Government
WHO	On recommendation of donors, on record of performance and previous experience, those already working in the concerned countries and those which wish to work under the national guidelines

22. The selection criteria for most United Nations organizations include a combination of specialized expertise, existing infrastructures, lowest cost of operation, long-term relationship with the organization, interest in capacity-building, knowledge of the area and ability to contribute financially to the project, and a good performance record. In addition, non-governmental organizations must normally be legally registered in the country in which they operate, and must have a separate expenditure account incurred on the behalf of the United Nations organization. Furthermore, UNDP requires that its implementing partners have the capacity to implement a post-conflict project (peace-building).

23. In connection with the selection criteria and agreements with its implementing partners, UNHCR has produced a brochure which contains a code of conduct. This is a framework partnership agreement with non-governmental organizations; agencies with which UNHCR enters project agreements are expected to sign this partnership document, as part of their commitment to achieving the highest possible standards, in the provision of services to refugees. The document includes guidelines for non-governmental organizations, non-governmental humanitarian agencies and intergovernmental organizations. It sets out the general basis and coordination mechanisms on which they will work with each other and with other agencies, as well as the standard of conduct which will be expected from non-governmental organization staff working in operations coordinated by UNHCR. The document also contains recommendations to the Governments of disaster-affected countries; to donor Governments and to intergovernmental organizations. The Inspector commends this initiative which is along the lines of recommendation 2 above. The criteria used by the various agencies are set out in table 5 below.

Table 5. Criteria used by organizations for selecting implementing partners

Organization	Criteria for selecting implementing partners					
	Specialized Expertise	Existing infrastructure	Lowest cost	Long-standing relationship	Interest in building capacity	Other
Department of Humanitarian Affairs	X	X	X	X	X	X
UNDP	X	X	X	X	X	Capacity to implement a post-conflict (peace-building) project
UNFPA	X	X	X	X	X	Presence at field level, willing to implement reproductive health activities
UNHCR	X	-	X	X	X	A code of conduct document to be signed by all implementing partners
UNICEF	X	X	X	X	X	Request from the Government/field-level contacts
FAO	X[a]	X[a]	X[b]	X[c]	X[c]	Previous positive experience with the organization
WFP	X	X	X	X	X	-
WHO	X	X	-	X	-	Having enough funds for their own staff and infrastructure

[a] Seven countries.

[b] One country.

[c] Three countries.

24. The analysis so far conducted, though not exhaustive, shows the complexity in the selection process. The framework adopted by the agencies does not necessarily ensure a full translation of the principle into practice. The emergency constraints and the urgency of a number of interventions add to the difficulty of finding suitable implementing partners, assessing capabilities and controlling implementing potentialities. Inadequacies of implementing partners, in most cases in the area of resource management and overall project

performance, are discovered during the implementation or after the completion of the project. As a result, these deficiencies affect an efficient delivery of projects, require additional financial and human resources, call in certain cases for legal action and cause delay in reporting to Member States.

25. The selection of an appropriate implementing partner is one of the most important aspects of the programme/project management system and deserves a well thought out mechanisms which guarantees project delivery, as agreed in the project document, and ensures the accountability of implementing partners. To achieve this, organizations should be more selective in identifying implementing partners, hence helping the effectiveness of management and financial control. The establishment of a selected roster of reliable implementing partners, in order to set up a more manageable core of implementers could be a helpful contribution to this process.

B. Legal procedures

26. It is understood that the consent of the Government of the country in which the programme will be carried out, establishing the terms of reference for humanitarian assistance, needs to be acquired. A subagreement of a contractual nature will then be negotiated between a United Nations organization and an implementing partner. The modalities of cooperation, as well as other terms and conditions for the implementation of projects, are an integral part of the subagreement. Where the priority is to be assigned in situations of life-saving assistance, or a conflict situation in a weakened or fragmented local controlling authority, has to be considered according to the circumstances. The United Nations system follows legal principles to ensure that an implementing partner's performance is in compliance with the terms of the subagreement (see table 6 below). The use of procedures may differ from one organization to another. Some use the Financial Rules and Regulations of the United Nations, others a standard clause which defines the partner's responsibilities. In other cases, organizations sign a letter of understanding with the host Government and a memorandum of understanding with United Nations agencies and non-governmental organizations. Others use what is known as an agreement for performance of work, which is utilized to provide a service, or to perform a specific piece of work normally of short duration without supervision. Final payment is made on completion of satisfactory performance and receipt of a financial statement.

27. For some organizations (e.g., UNDP), non-governmental partners have, up to the present, not been designated as executing agencies per se and their involvement in the implementation of UNDP projects has, for the most part, been formalized in the related project document under the subcontracting component. UNFPA may have more than one implementing partner on a project. It delegates authority to its country representatives. Some parts of a project could be subcontracted to another implementing agency. Other organizations, such as UNHCR, however, have delegated responsibility for the implementation agreement to the field representatives who sign the subagreement with the implementing partner. In UNHCR, headquarters agreements are used less frequently and considered the exception. Both headquarters and field agreements have the same terms and conditions. An additional clause is inserted in the subagreement when it is applicable to a Government or governmental agency.

28. The responsibility for the implementation of a project is shared in different measures between the United Nations agency and its implementing partner, with the exception of UNDP where the executing agency is fully responsible for the implementation of the project. Partners are responsible for the activities contained in the project document signed by both parties, and the United Nations agency remains responsible for the overall results of the assistance programme. This situation is the object of specific suggestion under Recommendation 3 above.

29. There are several mechanisms by which the agencies ensure compliance with the agreement by implementing partners. These mechanisms consist, among others, of annual financial reports, semi-annual reports, quarterly reports, audited reports by internal and external auditors, field visits by agency personnel, regular monitoring by geographical desks, narrative reports on progress, regular operational reporting and meetings, as well as mid-term and final reports on activities and finance (see table 6 below).

30. The procedure for resolving cases when implementing partners do not comply with the terms of agreements also varies from organization to organization. Some organizations apply mechanisms foreseen in the Financial Rules and Regulations of the United Nations; others will simply terminate the agreement; others will discuss the situation, try to negotiate and finally refer the case to Headquarters. Others suspend the discharge of obligations by giving written notice to defaulting party and termination of the letter of memorandum of understanding. There are, on the other hand, project documents that do not include clauses that define operational guidelines in case of non-compliance with the terms of agreement. The financial reports and audited financial statements and reports of the Board of Auditors emphasized the need for improved monitoring of contract compliance and the strengthening of penalty clauses for a non-compliance (General Assembly resolution 49/216 C of 23 December 1994). Table 7 indicates examples of procedures used by different organizations for solving cases where implementing partners do not comply with the terms of agreement.

31. Since the basic agreements between the United Nations agency and an implementing partner reflects the specific mandate of the organization and agency, it is understandable that these procedures and their applications differ. However, the findings of the report indicate that: it is essential for all United Nations agencies to include a clause defining the responsibility, not only of the United Nations organizations, but also that of the implementing partners and the consequences in case of default. Such a clause should be designed under the guidance of the Inter-Agency Standing Committee and agreed upon by all humanitarian organizations.

Table 6. Mechanisms used to ensure compliance with agreements entered into between United Nations organizations and implementing partners

Organization	Mechanisms						
	Annual financial report submitted by implementing partner	Semi-annual report submitted by implementing partner	Quarterly financial report submitted by implementing partner	Audit by United Nations Internal Auditors	Audit by private auditors	Field visit/ mission by United Nations personnel	Other
Department of Humanitarian Affairs	-	-	-	-	-	X	Regular monitoring by geographical desks of project implementation
UNDP	X	X	X	X	X	X	
UNFPA	X	X	X	X	X	X	Four factors have to be taken into account: presence or not of UNFPA staff; volume of allocation of funds (less than US$ 100,000); decentralization of authority; and type of projects and partners
UNHCR	X	X	-	X	X	X	Narrative reports on progress, consistent with UNHCR monitoring reports
UNICEF[a]	-	-	-	X	-	X	
FAO	-	-	X[b]	X[c]	X[c]	X[d]	Follow-up and monitoring by FAO emergency coordinator. Monitoring mechanism[c] and activity report[c]
WFP	X	X	X	X	X	X	Regular operational reporting and meetings
WHO	X	-	-	-	-	X	A mid-term and final report on activities and finance

[a] The exact mode of keeping track of an implementing partner's compliance with an agreement is decided upon on a case-by-case basis. UNICEF/United Nations Internal Audit Officers conduct reviews of the implementation of projects/programmes by implementing partners as part of the audit of overall functions and operations of the field office which engages the implementing partners.

[b] Two countries.

[c] One country.

[d] Six countries.

Table 7. Sample procedures for resolving cases where the implementing partner does not comply with the terms of agreement

Organization	Procedures
Department of Humanitarian Affairs	Apply mechanisms foreseen in Financial Regulations and Rules of the United Nations
UNDP	Mechanism described in the Standard Basic Assistance Agreement and in implementing agency agreements; and application of Financial Rules and Regulations of the United Nations
UNFPA	As payments are done in instalments, if the implementing partner is not fulfilling obligations, further payments may be delayed or cancelled
UNHCR	Will generally terminate the agreement
UNICEF	Payment of funds or delivery of supplies and equipment is generally done in instalments in accordance with the progressive implementation of a project. If the implementing partner does not comply with all terms of the agreement, then no further payments or deliveries will be made
FAO	Differs from country to country. Afghanistan. Negotiation; contracts are usually clear enough to justify any action or project decision to be taken; Angola. The project document does not include clauses that may define operational guidelines in case the Ministry of Agriculture does not comply with the terms of the agreement; Iraq. Contact with the highest de facto local authorities; Rwanda. Direct contacts to suggest possible solutions; pointing out consequences for future collaboration and financial implications; and pressure by high-ranking governmental and United Nations agencies
WFP	Discussion, negotiation, referral to headquarters in case of non-governmental organizations, suspension of discharge of obligations by giving written notice to defaulting party, and termination of written agreements
WHO	Official relations may be suspended or discontinued if an organization no longer meets the criteria that applied at the time of the establishment of such relations, or if it fails to fulfil its part in the agreed programme of collaboration

C. Financial and administrative procedures

32. United Nations organizations conclude an agreement or a formal exchange of a letter at the commencement of a programme/project, which defines the purpose, objective, duration and modalities of implementation of the project and the maximum amount to be expended. The agreement or the formal exchange of a letter must comply with the terms and conditions laid out by the two partners in accordance with the Financial Rules and Regulations of the United Nations and other instruments stipulated for implementing partners. The Financial Rules and Regulations specify, among other things, the condition of financing and implementation of the project, and the terms of payment and the currency in which it will be paid, as well as the dates for submitting financial statements. Agreements and/or subagreements signed by the parties contain a clause covering the responsibility of United Nations organizations for funding the programmes/projects.

33. There are several ways of funding implementing partners by United Nations agencies. Some organizations use the consolidated appeal procedure, which is direct contact with donors, by including the implementation cost of the project in the appeal. In the case of UNDP, United Nations organizations receive project funds directly from the programme according to standard arrangements between United Nations agencies. In the case of national execution, the Government receives project funds from the organization on a quarterly basis, in accordance with the procedures governing such projects.

34. Apart from UNDP, organizations do not provide direct funding to implementation. In certain cases they co-finance the project with the implementing partners and in other cases they provide funds in kind, i.e., seeds, equipments, and the like. Almost all funds used for the operation of humanitarian assistance programmes are voluntary funds and the United Nations organizations agree with their partners on the contents of a programme/project and sign a contract which in some cases states that the contract will be on hold pending the availability of funds. Instalments are transferred to the partners according to progress in implementation. Some, such as the Department of Humanitarian Affairs, channel funds to implementing partners through UNDP field offices. Table 8 shows examples of the mechanisms used for financing implementing partners.

Table 8. Funding mechanisms used by United Nations organizations for financing implementing partners

Organization	Funding mechanism
Department of Humanitarian Affairs	Funds are channelled to implementing partners through respective UNDP field offices
UNDP	United Nations executing agencies receive project funds directly from UNDP pursuant to standard arrangements between United Nations agencies. Under national execution, UNDP and its partners agree on the contents of a programme/project and sign a project document to that effect. Instalments are transferred by UNDP on a quarterly basis according to progress in implementation
UNFPA	Relies on its own funds through the allocation of the country of origin of refugees and internally displaced populations, or through regional or interregional funds
UNHCR	All funds used for operations are voluntary funds. UNHCR and its partners agree on the contents of a programme/project and sign a contract to that effect. Instalments are transferred by UNHCR to the partners according to progress in implementation
UNICEF	Input to implementing partners are done in cash, supplies and equipment are channelled through field offices
FAO	Depends on the country. Afghanistan. Contracted service agreement paid in two or three instalments; Iraq. No direct funding is given to implementation, however, FAO provides transport for secondary distribution of goods and services; Former Yugoslavia. Not applicable as this is considered as counterpart contribution; Liberia. Funds are provided in kind (i.e., seeds, tools, equipment); Rwanda. Through contracts or conventions; Sierra Leone. Co-financing with the Ministry of Agriculture and international non-governmental organizations
WFP	Costs are included in the project budget which is presented in funding proposals to various donors. The new resourcing and financing model calls for full cost recovery. WFP strives to mobilize funds to ensure that all costs incurred by implementing partners are covered. However, WFP can only finance its implementing partners to the extent that it has resources for project operations
WHO	Make contact with donors and present project proposal for fund-raising purposes. Make contact with donors in United Nations consolidated appeal

35. The existing financial and administrative procedures and guidelines for collaboration with implementing partners are designed on the assumption that emergency humanitarian assistance is temporary, hence only short-term plans are put in place. However, this assumption falls short of the frequent cases in which humanitarian assistance requires long-term operations. There is normally a primary short-term initial response phase, followed by a secondary long-term phase. The question is whether it is possible to apply to the latter case the existing standard rules and procedures of accounting.

36. An improved control system requires that action be taken to apply standardized and more general accounting procedures in the long-term humanitarian assistance cases. The Inter-Agency Standing Committee should be able to develop a standard guidelines which will be applicable by all humanitarian agencies. The administrative and financial procedures should therefore be thought of differently for short-term and long-term humanitarian programmes. The time-frame for long-term operations should be decided by the Inter-Agency Standing Committee.

37. In addition to implementing partners, some United Nations organizations also provide services (logistics and the like) through the private sector by contracting for goods and services related to providing humanitarian assistance. It is, however, hard to determine the extent of the use of the private sector, as figures are not readily available. Table 9 shows organizations which use contracting arrangements in addition to or as a complement to implementing partners.

Table 9. Organizations which use contracting for goods and services related to humanitarian assistance

Organization	Yes	No
Department of Humanitarian Affairs	-	
UNDP	X	-
UNFPA	Not applicable	
UNHCR	X	-
UNICEF	X	-
FAO	X[a]	-
WFP	Contractors are used for the transport of food aid, as well as the transport/logistic services and infrastructure improvement projects necessary to support the delivery of food aid	-
WHO	X[b]	X

[a] Depending on context.

[b] Contracting is decided on a case-by-case basis and not by consistent policy.

38. Furthermore, the use of different and numerous types of implementing partners requires the recording of the status of overhead costs paid to them by the United Nations organizations dealing with humanitarian assistance activities. This has been a concern of the Board of Auditors[9] and a subject of a report by JIU (A/51/655-E/1996/105). Both oversight bodies made recommendations and suggestions that norms be established to regulate the overhead costs of implementing partners and that percentages of the project budget allocated to overhead cost should be recorded and made transparent and separate from the direct programme/project costs.

39. Within the context of accountability and proper financial management, organizations are supposed to keep records of overhead costs for projects managed by implementing partners. Based on the responses to the JIU questionnaire, of the seven organizations investigated, three maintain records of overhead costs for projects managed by implementing partners. In the case of one organization, two country offices keep records of overhead costs, two country offices do not, while two others do not know whether they keep records or not. Table 10 indicates organizations which maintain overhead costs for projects managed by implementing partners.

Table 10. Maintenance of overhead costs for projects managed by implementing partners, 1994-1995

Organization	Yes	No	Do not know
Department of Humanitarian Affairs	-	X	-
UNDP	X	-	-
UNFPA	X	-	-
UNHCR	X	-	-
UNICEF	X[a]	-	-
FAO	X[b]	X[b]	X[b]
WFP	-	X	-
WHO	-	X	-

[a] When UNICEF concludes a project agreement with an implementing partner, it asks for a detailed cost breakdown which includes the overhead costs. However, the agreement is exclusively handled by the field representatives concerned, in accordance with the highly decentralized administrative and operational structure.

[b] Two countries.

IV. CONTROLLING MECHANISMS FOR PROGRAMME/PROJECT IMPLEMENTATION

40. The United Nations organizations involved in humanitarian assistance activities receive voluntary funds for discharging their responsibilities. They are accountable to their legislative bodies for such resources. As pressure for funds increases, the donor and recipient communities are closely following the use of voluntary funds provided for humanitarian assistance and are asking for greater accountability, transparency and cost-effectiveness. In order to respond to this demand and fulfil the expectations of Member States, organizations are aware of the need to improve the quality of the management of resources allocated to humanitarian assistance activities and some have already taken initiatives to this effect. But more must be done, starting from strengthening monitoring through reporting and evaluation. More rigorous financial and accountability arrangements with all implementing partners, including governmental agencies, will also serve the purpose of adhering to the procedures prescribed by United Nations system organizations and the recommendations of the controlling bodies.

41. An efficient programme/project management system is based on sound planning, clear objectives for implementation, continuous monitoring reporting and evaluation. Each of these cycles needs to be thought out properly and followed through during the implementation of projects if the intended objectives are to be met. If one of the tools is missing, the objective of the programme/project will not be satisfactorily achieved. Therefore, during the primary stage of planning a programme/project, an effective mechanism for the management of financial and human resources, as well as those responsible for these resources, must be identified. These conditions should be clearly defined and agreed upon by all parties responsible for carrying out the implementation. The General Assembly, by resolution 51/194 of 17 December 1996, called upon the United Nations system to strengthen accountability in the field of humanitarian assistance, in particular through improved monitoring and evaluation, and to develop common methodologies for data collection and reporting, situation analyses, needs assessment, monitoring and tracking of resources, in order to ensure an effective and timely response.

A. Monitoring

42. Monitoring is one of the most important controlling functions of programme/project implementation. It is a continuous process which involves a systematic review of the financial and programme performance of an implementing partner, as measured against previously established planned targets.

43. Implementing partners are required by the United Nations agencies to provide periodic reports indicating the detailed performance of their activities, including the total funds received and how they have been disbursed. They are also required to maintain separate accounts related to their activities. Furthermore, the United Nations agencies, through their internal and external auditors, examine accounts and other records during and after the completion of programmes/projects by implementing partners.

44. There are at present a variety of methods of monitoring funds utilized by implementing partners. They require, among others, annual, semi-annual and quarterly financial reports; audits by United Nations internal and external auditors; and field visits by United Nations personnel. Some of the organizations use most of the above-mentioned methods. The Department of Humanitarian Affairs applies several methods, which include mandatory tripartite reviews with the governmental agency, UNDP and the Disaster Mitigation Branch; mid-term and end-term reviews, carried out by independent consultants; and field visits by United Nations personnel. UNDP uses six methods. UNHCR applies all with the exception of quarterly financial reports. However, final reports are required prior to making all but the first instalments of a project. In FAO, all six methods are used, plus two additional methods, namely: (a) full participation through monitoring, implementation and post monitoring by locally contracted monitors, as well as input receipts and signed beneficiaries list; and (b) copies of bills and final reports submitted by implementing partners. WFP applies two of the six methods, which are audits by internal auditors and field visits by WFP personnel. WHO, on the other hand, uses three of the six methods, including annual financial reports, audits by internal auditors and field visits by WHO personnel. Table 11 shows the methods used by the various agencies.

45. The need to strengthen the monitoring and reporting aspect of implementation of programmes and projects has been repeatedly emphasized by the Board of Auditors. In response, UNHCR has created an inspection and evaluation unit which reports directly to the High Commissioner on its major operations. With regard to project-specific mechanisms, UNHCR also requires that implementing partners submit periodic financial reports in the form of subproject monitoring reports to their field offices. It has also clearly specified its monitoring and evaluation procedures in the management handbook for implementing partners,[10] and in the agreement and/or letter of understanding with its partners.

46. Furthermore, the Inter-Agency Standing Committee during its meeting held in March 1997, recognized the need to put in place a simple joint monitoring system for humanitarian assistance programmes that would ensure accountability, transparency, optimum utilization of resources, avoid potential duplication efforts, and adjust to changing situations, issues which have not fully been addressed in humanitarian programmes to date.

47. The Inspector commends the efforts being made and initiatives taken by UNHCR and other organizations to improve the monitoring and control of operations by implementing partners. Improved monitoring of project implementation is an essential component of a good management process which will assist managers to detect the weak spots and areas of the overall management of programme/project implementation, including accountability. This will prevent wastage of resources and assist in achieving better product delivery. The Inspector therefore recommends that all humanitarian agencies give top priority to strengthening their monitoring and controlling mechanisms. A system should be established to monitor the progress and achievements of implementing partners, assess the cost-effectiveness as well as the financial management capacity of implementing partners, and to use the lessons learned in the selection of implementing partners, based on their record, for future assignments.

Table 11. Methods used by United Nations agencies for monitoring funds disbursed by implementing partners

Organization	Methods						
	Annual financial reports submitted by implementing partners	Semi-annual financial report submitted by implementing partners	Quarterly financial report submitted by implementing partners	Audits by United Nations internal auditors	Audits by private auditors	Field visits by United Nations personnel	Other
Department of Humanitarian Affairs	-	-	-	-	-	X	Tripartite reviews, mid-term and end-term reviews and final financial reports submitted by implementing partners upon completion of projects
UNDP	X	X	X	X	X	X	
UNFPA	X	X	X	X	X	X	
UNHCR	X	X	-	X	X	X	Financial reports are required prior to making all but the first instalment of a project
UNICEF	-	-	-	X	-	X	The exact monitoring mechanism and the monitoring frequency are between the field office concerned and the implementing partner on a case-by-case basis. Audits on the implementing partner's operations are done by internal UNICEF and United Nations auditors as a part of an audit of the overall operations of a particular field office concerned. It is not a requirement in the agreement with implementing partners
FAO	X[a]	X[b]	X[b]	X[c]	X[c]	X[c]	Full participation through monitoring, implementation and post-monitoring through locally hired monitors, as well as input receipt and signed beneficiaries list. Copies of bills and final reports submitted by the implementing partners
WFP	-	-	-	X	-	X	
WHO	X	-	-	X	-	X	Mid-term and final financial and activity reports

[a] Seven countries.

[b] Two countries.

[c] One country.

B. Evaluation

48. Evaluation is a review process whereby the relevance, effectiveness and impact of a given humanitarian assistance project are assessed against its set objectives. It is also a tool for the identification and solution of problems during the implementation of programmes and projects and is also a useful support for accountability.

49. There are three categories of evaluation. One is the evaluation performed during the course of implementation known as mid-term evaluation. The second is that carried out at the end of the project, known as terminal evaluation. The third is that done about a year later after the implementation, known as ex-post evaluation. The main responsibility for evaluating the programmes and projects resides with the United Nations organizations. However, implementing partners are also expected to evaluate periodically the projects that they manage. All humanitarian assistance programmes and projects are supposed to be evaluated on a regular basis.

50. The United Nations organizations use two types of evaluations, internal and external. The internal evaluations are those carried out by the department, a unit and/or centre of the organization, while the external ones are carried out by an outside organization or independent consultant. All United Nations organizations identified in the report mandated with the responsibility of humanitarian assistance have set up an internal evaluation unit and carry out joint evaluation with their implementing partners, with the exception of the Department of Humanitarian Affairs and WHO. However, the Department of Humanitarian Affairs has established a Lessons Learned Unit which carries out independent evaluations and thematic studies of the Department's activities and coordination role in countries in crises situation and on other humanitarian issues. Each organization has its own policy and procedure for evaluating implementing partners. Table 12 shows the different policies and procedures applied by agencies for evaluating the performance of their implementing partners.

51. One of the major criticisms of the Board of Auditors concerning the relationship between United Nations agencies and implementing partners in connection with the increasing number of the latter is the lack of clearly defined timetables for completing the project, which has made it difficult for the agencies to control their performance. The Inspector concurs with the recommendation of the Board of Auditors that the number of implementing partners should be kept to a manageable size in order to avoid overlapping and reduce overhead costs.[11] In addition, deadlines for the completion of projects should be clearly specified at the commencement of the project in the subagreements signed by both parties. This will facilitate the follow-up of performance and the determination of whether the project objectives have been met as planned. At the same time, it will also make implementing partners accountable for their activities since they have to meet the prescribed deadline. Furthermore, it will simplify ex post facto project evaluation by the agencies and further assist them in the selection process for future partnership.

Table 12. Organizations which have internal evaluation departments and policies and procedures for evaluating the performance of implementing partners

Organization	Yes	No
Department of Humanitarian Affairs	-	X
UNDP	Under the strengthened monitoring and evaluation system of UNDP, all UNDP-financed projects should define clear statements of their overall objectives and identify key results areas, performance indicators and success criteria in order to assess progress towards the achievement of the stated objectives. All UNDP-financed projects are subject to periodic or special evaluation in accordance with policies and procedures established for evaluation in UNDP and in consultation with the Office of Evaluation and Strategic Planning	-
UNFPA	Structures and procedures are applied to humanitarian programmes	-
UNHCR	Done by UNHCR field staff responsible for the programmes at the country level, supplemented by evaluation of programmes by the Central Evaluation Unit	-
UNICEF	Evaluation and monitoring of an implementing partner are covered by the field office which engages the implementing partner. The Evaluation Section, located at headquarters, monitors and evaluates the performance of the implementing partner through the overall performance of the particular field office. The policy and procedures of monitoring and evaluation are prescribed in an internal guideline which focuses on project delivery and impact versus objectives and cost-effectiveness	-
FAO	Initial assessment of needs are carefully reviewed. Technical field reports of implementing partners are evaluated and field visits monitored	-
WFP	Operations are considered for evaluation according to their significance to the Executive Board of WFP and its executive staff. Plans exist for joint evaluation with implementing partners	-
WHO	-	X

52. The General Assembly, by resolution 51/194, called upon the United Nations system to strengthen accountability in the field of humanitarian assistance, in particular through improved monitoring and evaluation to ensure that, among other things, clearer arrangements are made for system-wide evaluation, that the lessons learned from evaluation exercises are systematically applied at the operational level and that joint evaluation criteria are developed for humanitarian and disaster relief operations at the planning stage. The Inspector believes that the United Nations agencies should also develop monitoring, reporting and evaluation plan and/or strategy whereby they select programmes and projects for joint evaluation with implementing partners. At present, the agencies use specified mechanisms for determining whether the project is meeting its stated objectives (programme/project performance). Table 13 shows the mechanisms used by the agencies to measure programme/project performance.

53. Based on the above findings and the highlighted usefulness of evaluation as one of the controlling mechanisms, the Inspector suggests that those humanitarian assistance agencies that have not already done so should establish an evaluation strategy in order to follow the progress and achievements of implementing partners. The strategy could also assist organizations to assess the cost-effectiveness, as well as the financial management capacity, of implementing partners. The lessons learned during the evaluation process could, in addition, be useful for the selection of implementing partners, as well as for the planning and implementation of future activities. The United Nations agencies may even consider drawing up such a strategy in cooperation with certain implementing partners which have a good record and with which they have a long-term working relationship.

54. Another useful management tool is to produce a programme management handbook to provide guidance to implementing partners on how to work effectively with the specific agency and/or organization. This will assist agencies to effectively coordinate and control their activities with their implementing partners by clearly specifying all requirements, in particular the financial and performance responsibilities, as well as the procedures to be followed for monitoring, evaluation and reporting. Regarding the preparation of a handbook, it may be useful to consult implementing partners and take their views and suggestions into consideration. The handbook should be updated on a regular basis.

55. In recent years, humanitarian assistance activities have not only evolved but have become more complex in relation to peacekeeping operations and the promotion of human rights. More issues have emerged calling for an increased number of implementing partners. A handbook produced by the organizations could give useful guidance for more effective coordination and working relationships between the United Nations organizations and their implementing partners. The Inspector therefore suggests that all those organizations that have not already produced a partnership handbook should do so, in consultation with their major implementing partners.

Table 13. Mechanisms used to measure programme/project performance

Organization	Mechanisms						
	Annual reports submitted by implementing partners	Semi-annual reports submitted by implementing partners	Quarterly reports submitted by implementing partners	Evaluation by implementing partners	Evaluation by private organization	Joint evaluation by implementing partners and United Nations organization	Other
Department of Humanitarian Affairs	-	-	-	-	-	-	Field visits by United Nations personnel and regular monitoring by geographical desks of project implementation
UNDP	X	X	X	X	X	X	Tripartite project review, work plans, inception reports, tripartite and technical reviews, project performance evaluation and terminal reports, as well as country office and field monitoring visits
UNFPA	X	X	X	X	-	X	Tripartite review
UNHCR	X	X	-	-	-	X	Periodic reports by UNHCR field staff, based upon observations from site visits
UNICEF	-	-	-	-	-	X	The exact mode of the mechanisms and the frequency of reporting are decided upon between the implementing partner and the field office which engages it. In addition, staff from the Evaluation Section at headquarters will make a field visit to evaluate project delivery as part of the overall evaluation of the performance of a particular field office
FAO	-	-	X[a]	X[b]	-	X[c]	Follow-up and monitoring by FAO Emergency Coordinator.[b] Monthly progress reports by the FAO Coordinator.[b] Final report submitted by implementing partner.[b] Progress report and final reports submitted by implementing partner.[b]
WFP	X	X	X	X	X	X	Internal management review/assessment conducted by operating department. Evaluations are carried out through the Evaluation Office. These evaluations rely on all available information and on findings obtained during field missions and monitoring by WFP country offices.
WHO	X	-	X	-	-	X	

[a] Two countries.

[b] One country.

[c] Six countries.

Notes

[1] See E/AC.51/1997, annex, para. 10.

[2] See A/51/655-E/1996/105, recommendation 1.

[3] A/AC.96/833.

[4] A/AC.96/853.

[5] Ibid., para. 3.

[6] Draft report of the Standing Committee on its meeting held on 10 and 11 April 1996 (EC/46/SC/CRP.27).

[7] A/51/488/Add.2, paras. 27 and 28.

[8] See recommendation 8 of JIU in its report on the investigation of the relationship between humanitarian assistance and peacekeeping operations (A/50/572).

[9] A/AC.96/833, paras. 50-60.

[10] UNHCR, Partnership: A Programme Management Handbook for UNHCR Partners, March 1996.

[11] Official Records of the General Assembly, Fifty-first Session, Supplement No. 5E (A/51/5/Add.5), annex, para. 8.

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